

THE EFFECTS OF VARIOUS MACROECONOMIC VARIABLES AND STOCK TRADING VOLUME ON THE STOCK PRICES OF MAJOR MINING AND OIL COMPANIES IN INDONESIA

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ABSTRACT

This study seeks the relationships of various macroeconomics variables (exchange rate, interest rate, inflation rate) and stock trading volume on the stock prices in major mining and oil companies in Indonesia using data during 2006-2010. This topic is chosen because there are inconsistencies in the result of the past research. This study includes the dummy variables of subprime mortgage crisis and management changes. To find the result of independent variable towards the dependent variable, classical assumptions test and multiple regression are done.

The result of t test indicates that interest rate, inflation rate, and stock trading volume have relationships towards stock prices. It is in line with the previous research done by Maghayereh (2003), Al-Sharkash (2004), Humpe and Macmillan (2007), and Udin (2009). Meanwhile, the exchange rate and subprime mortgage do not have significant effects. It is also found that management changes have impacts to some of major mining and oil companies in Indonesia which is in line with previous research done by Gurgul and Majdosz (2007).

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